

knowledge, staff could have, on a confidential basis, interviewed these providers to better understand how the Commission could promote competition in rural areas of Texas.

The Commission also could not calculate the common market share index known as the HHI on the basis of data collected through the Commission's data request. Large IXC's were not willing to let the ILECs report to the Commission information on originating minutes of use, which was needed to calculate an HHI for intrastate long distance. Commission staff finally obtained the information from the biggest ILECs (but not the others), but only after much persistence, involving coordination with both those ILECs and the big IXC's.

Information needed by the Commission to conduct industry analyses and to provide a full picture of the utility markets in Texas can only be obtained from utility companies, some of which are no longer regulated entities. The Commission has no authority to require certain entities, like municipal power companies, to provide data to the commission, but the Commission nonetheless needs the data in order to fulfill its statutory duties. Accordingly, § 552.110 should be revised as noted above to give the PUC and other governmental bodies an independent ground upon which to base a request for an exception to disclosure for information that has been provided a governmental body, whether voluntarily or involuntarily.

#### **4. CLARIFY THAT TELECOMMUNICATIONS PROVIDERS HAVE BURDEN OF PROOF IN SLAMMING AND CRAMMING COMPLAINTS**

In contested cases concerning slamming complaints, the Commission has encountered disputes as to whether and how a utility must demonstrate that it has complied with PURA and Commission rules for authorizing a change in a customer's preferred carrier.

The Commission recommends that PURA be clarified to require that a telecommunications utility initiating a switch in the customer's preferred carrier be required to demonstrate that it complied with the provisions in PURA and commission rules in order to refute any allegation of slamming (unauthorized switch) or of cramming (unauthorized charges).

Such clarification regarding slamming could be made in PURA by adding language such as the following to PURA § 55.309.

- Upon a showing that a telecommunications utility has failed to respond or provide proof of verification in accordance with the requirements in this Subchapter and commission rules, the burden of proof shall be on the telecommunications utility initiating a switch in a customer's preferred telecommunications utility to provide clear and convincing evidence that the switch was authorized in accordance with such requirements.

Adding the following language to PURA § 17.159 could achieve a similar result with respect to cramming.

- Upon a showing that a telecommunications utility has failed to respond or provide proof of verification in accordance with the requirements in this

Subchapter and commission rules, the burden of proof shall be on the telecommunications utility imposing the charges for a product or service to provide clear and convincing evidence that the charges were authorized in accordance with such requirements.

### **5. GRANT 9-1-1 COMMISSION SUFFICIENT AUTHORITY TO ACCOMPLISH ITS MISSION**

The inability of the Commission on State Emergency Communications (CSEC or the 9-1-1 Commission) to manage and control deadlines for the installation and testing of equipment between the local telephone companies and wireless carriers has delayed the availability of advanced emergency capabilities offered by enhanced 9-1-1 (E911) systems.

The 76th Texas Legislature passed H.B. 1983, which gave the CSEC the responsibility for implementing wireless Phase I 9-1-1 services for at least 75% of the population served by the State program. This implementation was to be completed on or before August 31, 2000. CSEC did not meet this deadline.

Specifically, CSEC encountered problems getting certain ILECs, CLECs, and wireless companies to place and fulfill trunk orders and to begin and complete the testing and implementation process necessary to complete Phase I service. CSEC does not have the necessary jurisdiction over the telecommunications carriers to require compliance with the Phase I requirements. CSEC must rely on the Commission and the FCC for enforcement purposes.

Although the Commission worked closely with CSEC to help with deployment of Phase I in Texas, the implementation is still not complete. Specifically, the Commission worked with regulated carriers to ensure that trunks ordered by wireless carriers were installed and tested to meet the deadline set by HB 1983. As a result, wireless Phase I 9-1-1 service was deployed in Texas covering 80.6% of the population served by the state program, as of December 14, 2000.

Under Phase I, 9-1-1 systems must deliver the phone number of the handset from which an emergency call originates and the location of the base station carrying the call to the 9-1-1 operator. Under Phase II, 9-1-1 systems must locate handsets within a radius of 125 meters with a success rate of 67 percent. The requirements for Phase II do not take effect until October 1, 2001.

In order to assist CSEC in completing its Phase I and Phase II wireless implementation projects, the Commission recommends that the Legislature grant CSEC limited jurisdiction over ILECs, CLECs, and wireless telecommunications providers. This limited jurisdiction would include enforcement powers to assess administrative penalties in order ensure full compliance in the Phase I and Phase II 9-1-1 wireless implementation projects and other 911-related projects and activities in the future.

## **Other Commission Recommendations**

In other legislatively mandated reports, the Commission has discussed and made the following recommendations:

### ***ADVANCED SERVICES REPORT RECOMMENDATIONS***

#### **1. Recommended Objectives for Public Policy**

**Establish a goal that all Texans have access to advanced services by a date certain to meet policy goals set in state and federal legislation**

**Encourage deployment of advanced services to rural Texans in a technology neutral manner for cost-effectiveness**

**Avoid Excessive and Intrusive Regulation**

**Encourage Local Solutions**

**Avoid “One Size Fits All” Solutions**

#### **2. Specific Policy Alternatives to Encourage Deployment**

**Expand Data Collection Activities**

**Implement Demand Aggregation**

**Implement Anchor Tenancy**

**Encourage Community Networks**

**Provide Community Internet Access And Training To “At Risk” Populations**

**Use Economic Development Funds for Rural Telecommunications Infrastructure Investment**

**Provide Tax Incentives for Deployment**

**Deploy Fiber Optic Cables in the State’s Rights of Way**

**Allow Private Access in Limited Situations to the TEX-AN 2000 Infrastructure**

**Provide Narrow Exception for Rural Municipal Governments to Provide Advanced Services**

**Enhance Statewide Telecommunications Strategic Planning**

**SWITCHED ACCESS REPORT RECOMMENDATIONS**

**Provide the statutory ability for the Commission to restructure access charges and reduce access charge revenues for Chapter 58 and 59 ILECs**

**Authorize the Commission to hold a combined proceeding, rather than separate ones for each company, to restructure and reduce access charges for small incumbent local companies and cooperatives**

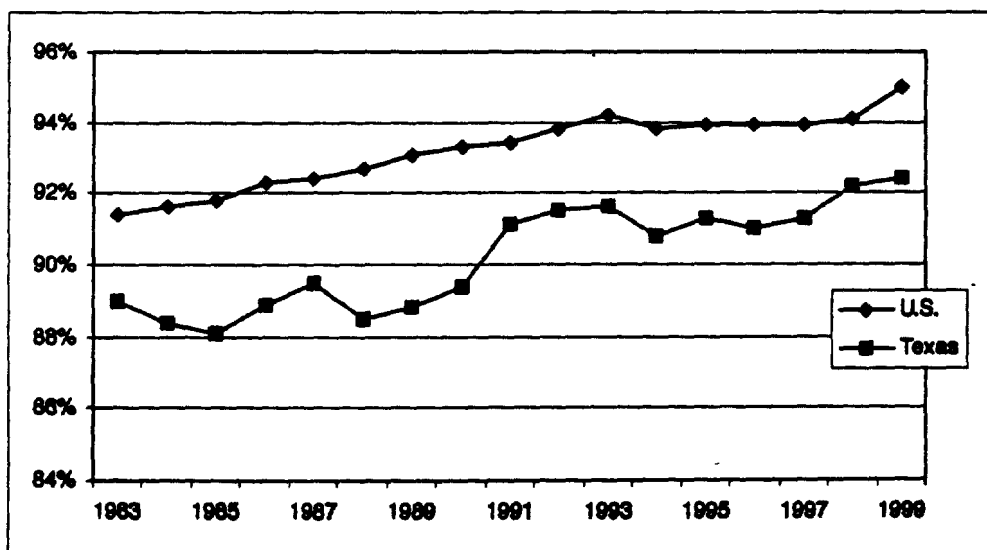
**Extend the expiration date of PURA Section 52.112 in order to ensure corresponding customer protections resulting from switched access charge reductions**

## APPENDIX A: UNIVERSAL SERVICE

One of the primary historical goals of telecommunications regulation has been to ensure universal service, *i.e.*, that all customers have access to affordable telecommunications service. Section 254 of the federal Telecommunications Act of 1996 (FTA) contains provisions designed to ensure universal service within the environment of competitive local telephone service. The FCC names universal service as one of the three pillars of the FTA trilogy for competition.

A measure of the success of universal service support programs is the overall subscribership to telephone service. The FCC, with the assistance of the U.S. Census Bureau, monitors the percentage of households with telephone service, as reflected on the chart below. While Texas remains below the national average, our state continues to show improvement in subscribership.

Figure 15 – Percentage of Households With a Telephone



### Universal Service Programs in Texas

The 70<sup>th</sup> Texas Legislature established a Universal Service Funding (USF) mechanism for Texas through amendments to PURA in 1987. Statutory changes were

made to the Texas USF programs in subsequent years. The current Texas USF program is described in Chapter 56 of PURA, and consists of the following major components:

- Support for targeted lifeline services (such as Tel-Assistance),
- Support for a telecommunications relay service for the hearing- or speech-impaired (Relay Texas),
- Support for the specialized telecommunications assistance program,
- Support for the provision of high-capacity (T-1) services to certain entities (e.g., educational institutions, libraries, and others), and
- Support for the provision of basic telecommunications service in high cost rural areas.

**Table A-1: Texas' Universal Service Fund Program Disbursements**

USF Program Disbursements	FY 1999 (Actual)	FY 2000 (Actual)	FY 2001 (Estimated)
High Cost Fund – Non-Rural Telcos	0	383,546,184	442,467,500
High Cost Fund – Small Rural Telcos	38,084,091	94,087,265	99,257,517
Small Telco Recovery - PURA §56.025	2,965,448	4,448,171	4,448,172
Lifeline and Tel-Assistance Programs	2,487,056	11,653,838	12,136,601
Reduced Rate T-1s for Certain Entities	0	739,599	838,100
Relay Texas Program	6,816,004	10,007,130	10,609,650
Specialized Telecom Assistance Program	322,420	578,402	716,171

### **High-Cost Support**

In January 2000, the Texas PUC formally implemented revisions to the Texas High Cost Universal Service Plan (THCUSP) portion of the Texas Universal Service Fund. The THCUSP provides support to eligible telecommunications providers that serve the high cost rural areas of the state. Two separate mechanisms are used: one for non-rural carriers, and another for small and rural ILECs.

The program for non-rural carriers provides that the THCUSP will support basic local telecommunications service provided by an eligible carrier in a high cost rural area that is carried over all flat-rate residential lines and the first five flat rate single-line business lines at a business customer's location. Under the rule, support is competitively neutral; therefore, support for a customer location is portable across providers. Generally, the amount of support available to each eligible carrier is based on a comparison of the forward-looking economic cost (calculated using a cost proxy model) to specific revenue benchmarks. To avoid a windfall as a result of implementation of the THCUSP, the PUC's rules require equivalent rate reductions.

The PUC recognized that state and federal statutes place small and rural carriers on a different competitive footing than other carriers, and therefore established a separate

mechanism to enable the small and rural carriers to prepare for the advent of competition in local telephony and the transition to the THCUSP. Specifically, the PUC's rules establish guidelines for determining per-line support amounts for each study area, ensuring the provision of basic local telecommunications service at reasonable rates in a competitively neutral manner in those areas of the state. Monthly per-line support for each eligible small/rural carrier consists of the sum of (1) the amount necessary to replace support previously provided by the intraLATA toll pool and (2) the loss of revenue realized by the carrier upon implementing Commission-ordered switched access and intraLATA toll rate reductions.

In addition to the THCUSP, several small ILECs are eligible for support under PURA § 56.025. This portion of the USF was designed to ensure recovery of revenues that resulted from regulatory actions prior to 1998, and also to compensate carriers for other revenue shortfalls resulting from regulatory actions.

### ***Tel-Assistance and Lifeline Service***

Tel-Assistance Service is a telecommunications service assistance program that provides low-income residential customers with a reduction in the price of their basic local exchange service. Eligible customers receive a 65% reduction in their applicable basic monthly local exchange service rate. The Texas Legislature created this program in 1987, and it is codified in PURA §§56.071-56.079. As of October 2000 there were 42,612 households receiving Tel-Assistance support. The amount of revenue support received from the Texas USF by companies providing Tel-Assistance discounts was \$2,925,587 for the fiscal year ending in August 2000.

All ILECs in Texas and any CLEC receiving TUSF now offer Lifeline Service. Lifeline Service allows eligible residential customers to receive a total discount on their monthly local exchange service rate of \$11.35. The discount is funded through Federal USF and Texas USF support. More than 209,230 households in Texas receive monthly Lifeline Service discounts. The Texas USF revenue support for Lifeline Service was \$8,728,251 for the fiscal year ending in August 2000.

In addition to monthly support, Link-Up Service, an adjunct federal program to Lifeline Service, provides a partial waiver of non-recurring residential installation charges for local service up to \$30.00. Link-Up Service support is included in the figure for Lifeline Service support shown above.

As a result of interstate and intrastate merger agreements, SWBT and Verizon will be initiating supplemental Lifeline Service support programs in 2001 for a 36-month duration. SWBT's Lifeline USA and Verizon's Alternative Lifeline Service will provide eligible residential customers with a complete waiver of local service installation fees. Both programs incorporate public outreach, including commercial advertisements, in an effort to increase eligible participants' opportunities to connect new telephone service.

### **Relay Texas Program**

In 1989, the Legislature authorized a telecommunications relay service (TRS) in Texas and directed the Commission to supervise its provision.<sup>110</sup> The name "Relay Texas" was coined for the Texas TRS. Relay Texas is available 24 hours a day, 365 days a year, with no restrictions on the length or number of calls placed. In September 1990, the first month of operation, Relay Texas processed nearly 50,000 relay calls; by September 2000, the number of calls had increased to an average of over 415,000 per month. Relay Texas has led the nation in improving the quality of TRS, with such enhancements as voice-carry-over, speech-to-speech, Texas Video Interpreting Service, a customer database, Spanish interpreting, and other new features. Pursuant to PURA, TRS is provided by a designated carrier and funded by a surcharge on all telecommunication providers through the USF. Using a request-for-proposal process, the Commission selects a vendor based on such key criteria as price, service quality, and availability over a five-year term. The Commission awarded five-year contracts to Sprint Communications Company, L.P. (Sprint) for Texas in 1990 and in 1995. Sprint has again been selected as the preferred vendor, and the new contract is under negotiation. The new contract will expire in 2005.

A model for competition in the provision of TRS is difficult to discern, but interest in creating a competitive market in this area has increased. AT&T, Sprint, and Hamilton provide the vast majority of TRS at both the state and national level, although there are several other smaller telephone companies providing TRS in a few states. Based on experience thus far, it is unclear whether the TRS market in any one state can support multiple TRS providers. California experimented with TRS multi-vendoring by releasing a Request for Proposals with the understanding that whichever proposer had the lowest bid would be allowed use of the existing 800 relay numbers. Other qualified TRS providers were welcome to provide TRS in California, provided that they too billed at the same low bid price. MCI was awarded the California 800 TRS numbers. AT&T refused to offer TRS, arguing that the price per minute was too low. Sprint countered with a proposal for California to combine all the prices and use the average bid price. California agreed and Sprint participated. Last month, MCI advised authorities that it could no longer provide service at the current price, and offered a non-negotiable price per minute. California rejected MCI's offer. Sprint also proposed a new, higher price per minute, which is still under consideration.

In the past, the five-year contract term used by the Commission limited the ability of Texas TRS to keep up with technological advances because the incumbent vendor had no incentive to offer a competitive price. In 1999, the Texas Legislature passed a bill amending the Relay bill by allowing the Commission to seek other vendors for special features of the relay service if the incumbent provider is unable to provide the feature at the best value for the state. This amendment has helped to ensure that special services can be sought at a competitive price from another TRS provider if the incumbent TRS provider is not able to offer a reasonable price.

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<sup>110</sup> Now codified in PURA §§ 56.101-112.



### ***Specialized Telecommunications Assistance Program (STAP)***

A new program initiated by the Texas Legislature in 1997 was created to provide financial assistance to persons with disabilities to purchase special telecommunications equipment. The new program, called the Specialized Telecommunications Assistance Program (STAP), is coordinated by two agencies: the Texas Commission for the Deaf and Hard-of-Hearing (TCDHH) and the PUC. The PUC is responsible for registering and reimbursing vendors from the TUSF. TCDHH is responsible for the bulk of operations, from developing applications, to approving equipment, to issuing vouchers. Texas uses a voucher system under which qualified persons pay a \$35 application fee and receive a voucher to purchase the telecommunications equipment. Unlike in many other states, the equipment becomes the property – and responsibility – of the purchaser. Approved products, such as TTYs, amplified phones, speech aids, and video software, assist persons with a wide variety of disabilities in using the telephone, some for the very first time. More than 5,700 telecommunications vouchers have been issued to persons with disabilities since the inception of the STAP in 1998.

### **Federal Universal Service Programs**

One of the primary purposes of universal service support is to allow ILECs and other eligible telecommunications carriers to provide certain basic services to customers in high-cost areas without having to charge these customers unaffordable rates. Historically, in the interest of meeting the goal of universal service, ILEC services have been supported or subsidized to enable high-cost consumers to be served at rates that are reasonably comparable to those in lower cost areas. This universal service support has been both explicit and implicit.

*Explicit Support.* Several federal programs have provided explicit universal service support in the form of direct monetary payments to carriers. This support has been provided for both intrastate and interstate services. For example, the FCC's high-cost support mechanism provides support for the costs of the intrastate portion of the local loop that significantly exceed the national average. By providing this federal support for intrastate costs, the FCC assists the states in ensuring that rates for intrastate rates remain affordable and reasonably comparable.

*Implicit Support.* In addition to receiving explicit universal service support, ILECs also received implicit universal service support from a variety of sources. Some rate structures have permitted ILECs to charge rates for certain services that significantly exceeded the costs of providing those services, thereby enabling those ILECs to charge below-cost rates for other services. For example, the practice of averaging rates over large geographic areas, for both intrastate and interstate services, results in subscribers in low-cost areas subsidizing the rates of subscribers in higher cost areas.

This "patchwork quilt" of implicit support helped keep rates largely affordable in a monopoly environment, where ILECs could be guaranteed an opportunity to earn returns from certain services and customers that are sufficient to support the high cost of providing other services to other customers. The new competitive environment envisioned by the FTA, however, threatens to undermine this implicit support structure.

The FTA removed barriers to entry in the local market, generating competitive pressures that may make it difficult for ILECs to maintain charges above economic cost.

Recognizing the disruptive effects that competition would have on universal-service support mechanisms developed in a monopoly environment, Congress instructed the FCC, after consultation with the Federal-State Joint Board on Universal Service (Joint Board), to establish specific, predictable, and sufficient mechanisms to preserve and advance universal service. Congress concluded that the support provided by these mechanisms "should be explicit and sufficient to achieve the purposes" of section 254, which include the purpose that all Americans should have access to telecommunications services at affordable and reasonably comparable rates. In response to this directive, the FCC has taken several actions to put universal-service support mechanisms in place that will be sustainable in an increasingly competitive marketplace.

In 1999, the FCC approved the Joint Board's recommendation for significant changes to the methodology used to compute high-cost support for *non-rural* carriers. The FCC adopted a mechanism that uses a forward-looking economic cost model to determine the support needed by carriers in high-cost states. The Joint Board and FCC are currently evaluating the needs of rural carriers, and reviewing the recent report of the Rural Task Force, with decisions to come in early- to mid-2001.

In addition to federal high cost support programs, the FCC has established a program for eligible schools and libraries to receive support for telecommunications services. The entities may obtain discounts on services, including Internet access and internal connections at discounts ranging from 20 to 90 percent. Another portion of the federal USF program provides support for rural health care providers to purchase telecommunications services at the same rates that health care providers in urban areas pay for those services.

Disbursements from the federal USF programs are shown in the following table.

**Table A-2: Federal Universal Service Fund Program Disbursements to Texas Entities**

<b>Federal USF Program Disbursements</b>	<b>1998</b>	<b>1999</b>
Total High Cost Support	\$122,103,519	\$119,556,528
Low Income Programs (Combined)	\$19,868,956	\$22,640,550
Schools & Libraries Funding	\$129,802,466 (1/1/98-6/30/99)	\$135,913,941 (7/1/99-6/30/00)
Rural Health Care Funding Commitments	\$15,749 (1/1/98-6/30/99)	\$35,068 (7/1/99-6/30/99)

Source: Universal Service Monitoring Report, CC Docket No. 98-202, Federal-State Joint Board on Universal Service, September 2000.

## APPENDIX B: ACCESS CHARGES

In passing the Telecommunications Act of 1996 (FTA), Congress sought to establish “a pro-competitive, deregulatory national policy framework” for the United States telecommunications industry. In the FTA, Congress also directed that universal service support “should be explicit and sufficient to achieve the purposes” of section 254, which includes the purpose that all Americans should have access to telecommunications services at affordable and reasonably comparable rates. According to the FCC, implementation of the FTA required a trilogy of separate but related proceedings addressing regulatory reform in three important subjects: interconnection, universal service, and access charges. This appendix gives a brief overview of recent federal and state activity related to access charges. For additional information, the reader should refer to the *Report to the 77<sup>th</sup> Texas Legislature on Intrastate Switched Access Rates*, PUC Project No. 21168.

For much of this century, most telephone subscribers obtained both local and long-distance services from the same company, the pre-divestiture Bell System, owned and operated by AT&T. In the 1970s, MCI and other long distance carriers began to provide switched long-distance service in competition with AT&T. AT&T, however, still maintained monopolies in the local markets served by its local subsidiaries, the Bell Operating Companies (BOCs). The BOCs owned and operated the telephone wires that connected the customers in their local markets. Other independent (non-BOC) LECs held similar monopoly franchises in their local service areas. MCI and the other IXCs were dependent on the BOCs and the independent LECs to complete long-distance calls to the end user.

In 1983, following the decision to break up AT&T, the FCC adopted uniform rules governing the fees – the access charges – that long distance carriers should pay the local exchange carriers for originating and terminating interstate calls placed by or to end users on the local networks.

With the passage of the FTA, the FCC determined that it was necessary to make substantial revisions to access charges. In an attempt to more closely align the rate structure with the manner in which costs are incurred, the FCC initially shifted cost recovery from the carrier common line (CCL) access charge to the presubscribed interstate carrier charge (PICC), a flat per-line charge imposed by the local carrier on an end user’s IXC. That plan was relatively short-lived, as customers were subjected to higher bills, and long distance charges were not reduced as much as expected.

According to the FCC, “[u]ndoing the Gordian knot of determining the appropriate level of interstate access charges and converting implicit subsidies in interstate access charges into explicit, portable, and sufficient universal service support cannot be accomplished with one stroke of the sword.” After years of disputes and concerns over the structure and levels of access charges, the FCC adopted further

modifications in May 2000, designed to balance various and sometimes conflicting interests – including promotion of competition, deregulation, maintaining affordability for all, and avoiding rate shock to consumers. The FCC adopted an integrated interstate access reform and universal service proposal for price-cap LECs put forth by the members of the Coalition for Affordable Local and Long Distance Service (CALLS). The CALLS proposal was designed to remove implicit subsidies from the interstate access charge system and replace them with a new interstate access universal service support mechanism that supplies portable support to competitors.

The FCC's *CALLS Order* combined two phone bill charges - the existing presubscribed interstate carrier charge and the subscriber line charge - into one line item. The FCC indicated that consumers would see savings through this plan, since long distance carriers committed to passing through access reductions to customers. As part of the plan, AT&T and Sprint agreed to eliminate from their basic rate plans the monthly minimum usage charges customers were paying whether or not they made any calls. The *CALLS Order* removed \$650 million from access charges and replaced that revenue amount with a special "USF" assessment on all carriers' interstate revenues. The revenue from this assessment is available to any carrier serving customers in high-cost areas.

Texas' switched access rates were adjusted prior to 1999 in company-specific rate cases,<sup>111</sup> and in an industry-wide access reform rulemaking that eliminated the interexchange carrier access charge, shifting that revenue requirement to the CCL and other charges for individual local telephone companies.<sup>112</sup> Because the intrastate usage-based switched access rates were very high to begin with and no additional flat rate charge was employed, the significant reductions from these cases still leave intrastate switched access rates very high when compared to interstate rates.

Switched access rates have been significantly impacted in Texas during the last two years as a result of activities related to the Texas Universal Service Fund (TUSF) and PURA requirements. During the last half of 1999 and into the third quarter of 2000, the Commission made significant changes to the TUSF. In conjunction with PURA Section 58.301, the Commission implemented changes that substantially reduced the rates for switched access of a majority of the ILECS in Texas.<sup>113</sup> The PURA required Southwestern Bell Telephone Company to reduce its combined originating and terminating switched access charges by one cent per minute in September of 1999 and by an additional two cents per minute in July of 2000. This combination reduced the cost of switched access in SWBT territory by approximately twenty-five percent.

Additional access reform for Texas' intrastate switched access rates is described in greater detail in *the Report to the 77<sup>th</sup> Texas Legislature on Intrastate Switched Access Rates*.

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<sup>111</sup> Cases concluded in 1986 and 1990 for Southwestern Bell, and less frequently for other ILECs.

<sup>112</sup> Rulemaking Project No. 7205.

<sup>113</sup> As an example, SWBT's composite switched access rate went from approximately 12.2 cents to 6 cents per minute, for a reduction of over 50%. Appendix B provides a summary and comparison of the composite switched access rates for all of the states.

## APPENDIX C:

### 9-1-1

The inability of wireless customers to benefit from the advanced emergency capabilities of enhanced 9-1-1 (E911) systems available to most wireline customers has been the predominant topic in the 9-1-1 industry in recent years. Most wireline phones are connected to E911 service that automatically reports the caller's location when 9-1-1 is dialed. On the other hand, when a 9-1-1 call is placed using a wireless handset, the dispatcher at the 9-1-1 Public Safety Answering Point (PSAP) does not know where the caller is. In 1996 the Federal Communications Commission (FCC) mandated the implementation and deployment of wireless enhanced 9-1-1 features and functions in two phases, to enable wireless callers to have the same benefits as wireline callers. Under Phase I, 9-1-1 systems must deliver the phone number of the handset from which an emergency call originates and the location of the base station carrying the call to the 9-1-1 operator. Under Phase II, 9-1-1 systems must locate handsets within a radius of 125 meters with a success rate of 67 percent. The requirements for Phase II do not take effect until Oct. 1, 2001.

The 76th Texas Legislature passed H.B. 1983, which gave the Commission on State Emergency Communications (CSEC) the responsibility for implementing wireless Phase I 9-1-1 services for at least 75% of the population served by the State program. This implementation was to be completed on or before August 31, 2000. The Commission worked closely with CSEC to help with deployment of Phase I in Texas. Specifically, the Commission worked with regulated carriers to ensure that trunks ordered by wireless carriers were installed and tested to meet the deadline set by H. B. 1983. As a result, wireless Phase I 9-1-1 service was deployed in Texas covering 73.8% of the population served by the state program.

With the entrance of new competitors into the telecommunications market and the implementation of wireless Phase I service, the Commission has been faced with finding regulatory solutions to many other 9-1-1 issues. For example, the entrance of an alternative statewide 9-1-1-database provider has raised many issues, such as proprietary customer information being disclosed and 9-1-1 entities being able to buy network and database services from different vendors at reasonable prices. The Commission conducted a rulemaking and held many proceedings to ensure that the citizens of Texas will be protected through a 9-1-1 network that works efficiently and effectively in a competitive telecommunications market. As a result the Commission adopted P.U.C. SUBST. R. § 26.433, relating to the Roles and Responsibilities of 9-1-1 Service Providers. This rule establishes specific reporting and notification requirements and mandates certain standards for network interoperability, service quality, and database integrity. These requirements are in addition to the minimum interconnection parameters for E911 contained in P.U.C. SUBST. R. § 26.272.

As a result of proceedings and rulemakings over the last year, Texas citizens should benefit from improvements in 9-1-1 service while using cellular phones. Still, much more work needs to be done to ensure the reliability of the state's emergency 9-1-1 system in a competitive telecommunications environment. The Commission is currently conducting proceedings to approve E911 tariffs filed by Southwestern Bell Telephone Company (SWBT) and Verizon Communications (formerly known as GTE Southwest, Inc.). The Commission is currently conducting proceedings to approve E911 tariffs filed by SWBT and Verizon Communications.

## APPENDIX D: PAY TELEPHONES

To promote further competition in the payphone industry, the FCC in 1996 deregulated coin rates for all local calls made from payphones. That same year the PUC began to register and certify payphone service providers, as required by the revisions to PURA in 1995. Pay Telephone Rules were reviewed and readopted pursuant to the Government Code Procedures Act. Revision of P.U.C. SUBST. R. § 23.54 incorporated the Commission's authority, granted under Senate Bill 86, to revoke a provider's certificate for violation of Commission's rules and carry out the sunset review process.<sup>114</sup>

Data show that local telephone companies have been reducing their involvement in the payphone business. The number of payphones that ILECs provided declined from 90,200 in 1998 to 86,400 in 1999, while the number of lines provided to competitive payphone providers fell from 56,300 in 1998 to 46,500 in 1999.

**Table 28 – Pay Telephones in Texas**

	1998	1999
<b>Number of payphones provided by incumbent local telephone companies:</b>	90,193	86,404
<b>Number of loops provided by local telephone companies to competitive payphone providers:</b>	56,316	46,492
<b>Total number of payphones:</b>	146,509	132,896
<b>Payphones provided by competitive payphone providers, as percent of total payphones:</b>	38.4%	35.0%

Source: Public Utility Commission of Texas Data Request

<sup>114</sup> To implement these provisions of SB 86, the Commission adopted P.U.C. SUBST. R. 26.102 *Registration of Pay Telephone Service Providers*; P.U.C. SUBST. R. 26.341 *General Information Relating to Pay Telephone Service (PTS)*; P.U.C. SUBST. R. 26.342 *Pay Telephone Service Tariff Provisions*; P.U.C. SUBST. R. 26.343 *Pay Telephone Service of Certificated Telephone Utilities holding Certificates of Convenience and Necessity*; § 26.344 *Pay Telephone Service Requirements*; § 26.345 *Posting Requirements for Pay Telephone Service Providers*; § 26.346 *Rates and Charges for Payphone Service*; and P.U.C. SUBST. R. 26.347 *Relating to Fraud Protection for Pay Telephone Service*.

## **APPENDIX E: NUMBERING ISSUES**

### **AREA CODE ACTIVITY**

During this reporting period (January 1999 – December 2000), the Commission has seen several changes in area code activity. The primary reason for the recent changes has been a drastic increase in technology that utilizes numbers. Pagers, faxes, personal and multiple telephone lines have all contributed to a sharp growth in the number of central office 3-digit prefixes (NXX codes) needed by carriers. As Table 29 illustrates, the boom in area code growth in Texas has occurred mostly over the previous five years.

The Commission has reacted to the exhaustion of area codes by splitting area codes or overlaying one area code with another. Splitting an area code simply requires breaking up a full area code into two or three smaller codes, with one area keeping the original code and new area code(s) being assigned to the other area(s). An overlay entails the assignment of a new area code over the same geographical area as the current code. The outcome of an overlay is ten-digit dialing, that is, customers must dial the area code and the seven-digit number for all local calls. Toll, or long distance, calls are then made by dialing a “1” before the area code and phone number.



Table 29 – Texas Area Code Chronology

1947	<b>4 area codes</b> 214 – Northeast Texas 512 – Central and South Texas 713 – Southeast Texas 915 – West Texas
1953	<b>5 area codes</b> 817 – a geographic split of the Fort Worth region from 214
1962	<b>6 area codes</b> 806 – a geographic split of the Amarillo/Lubbock region from 915
1983	<b>7 area codes</b> 409 – a geographic split from 713
1990	<b>8 area codes</b> 903 – a geographic split of the Longview region from 214
1992	<b>9 area codes</b> 210 – a geographic split of San Antonio from 512
1996	<b>11 area codes</b> 972 – a geographic split of the 214 area code serving the Dallas region 281 – a geographic split of the 713 area code serving the Houston region
1997	<b>15 area codes</b> 254 and 940 – a three-way geographic split of 817 830 and 956 – a three-way split of 210 with San Antonio retaining that area code
1998	<b>15 area codes</b> The geographic boundary between 214 and 972 in Dallas is erased, creating the first overlay in Texas. Ten-digit dialing is required for local calls.
1999	<b>18 area codes</b> The geographic boundary between 713 and 281 in Houston is erased, creating an overlay and requiring ten-digit dialing for local calls. 831 – an overlay added as the third Houston area code 361 – a geographic split of 512 creates a new area code for the Corpus Christi region 469 – an overlay added as the third Dallas area code
2000	<b>21 area codes</b> 979 and 936 – a three-way split of 409 with Beaumont retaining that area code 682 – an overlay added to 817 for Fort Worth and part of Northeast Texas

Source: Public Utility Commission of Texas

The following is a summary of the major actions taken by this Commission with respect to the area codes in Texas.

- **214, 469, and 972:** On December 5, 1998, mandatory ten-digit dialing for both the 214 and 972 area codes began. These area codes began as a concentrated overlay and, in December, the split between the two codes was eliminated, creating a single area served by the 214 and 972 area codes. Due to high demand for numbers in the Dallas metropolitan area, on July 1, 1999, a third area code, 469, was introduced to cover the same area as 214 and 972.
- **281, 713, and 832:** Area code relief in the Houston metropolitan area was along the same lines as that in the Dallas area described above. On January 16, 1999, the split between 281 and 713 was eliminated, and a new area code, 832, was introduced to cover the same area as 713 and 281.
- **409, 936, and 979:** To delay the need for an overlay and ten-digit dialing, on October 13, 1999, the Commission approved a three-way geographic split

of the 409 area code. Beaumont, Galveston, Port Arthur and Texas City retained the 409 area code. Conroe, Huntsville, Lufkin, and Nacogdoches took the new 936 area code, and 979 was assigned to Bay City, Brenham, Bryan, College Station and Lake Jackson. As of August 5, 2000, new area code usage became mandatory.

- **361 and 512:** Due to the amazing rate of growth in this area code, on October 16, 1999, the Corpus Christi area was split from the 512 area code and was assigned the new area code of 361. Thereafter, even though the 512 area code encompassed mostly the Austin metro area, it again quickly approached a jeopardy situation and was slated for exhaust in the third quarter of 2003. To extend the life of the 512 area code, on March 29, 2000, the Commission issued an order implementing thousand block number pooling in the 512 area code. Simultaneously, to comply with an FCC order, the Commission issued an order adopting a relief plan consisting of a concentrated overlay along the Interstate-35 corridor. This overlay will encompass mostly Austin, Georgetown and San Marcos. Although the overlay is tentatively scheduled for August 4, 2001, the Commission's order requires Commission Staff to evaluate the impact of number pooling and report to the Commission by June 1, 2000, for the express purpose of determining whether the overlay needs to actually be implemented in August 2001 or whether it can be further delayed. As discussed below, the impacts of number pooling have been extremely positive, and the life of the 512 area code has been extended significantly.
- **682 and 817:** As of December 1999, the Commission approved an overlay for the 817 area code, which covers the Fort Worth area. Beginning on October 7, 2000 cities such as Arlington, Euless, Fort Worth, and Glendale were required to use ten-digit dialing for local calls. The new area code, 682, overlays the entire geographical area covered by the 817 area code.
- **903:** Although 903 has not been declared in jeopardy, it is projected to exhaust sometime in the fourth quarter of 2002. Consequently, the Commission and the industry have begun exploring options for this far-northeast Texas area code.
- **210, 915:** These area codes in San Antonio and West Texas are both codes that the Commission is beginning to monitor closely as they approach their projected exhaust dates.

In addition to specific customer education for each change in area codes, the Commission maintains an area code website that tracks activity statewide. The website also includes a listing of NXXs (also known as prefixes) by city.

## **N11 CODES**

Another development in the world of numbering has been the increased use of FCC administered N11 codes. The federal government recognizes only 211, 311, 511,

and 711 as nationally assigned NXXs. However, other codes have traditional uses, as shown below.

Code	Description
211	Community Information and Referral Services (US)
311	Non-Emergency Police and Other Governmental Services (US)
411	Local Directory Assistance
511	Traffic and Transportation Information (US); Reserved (Canada)
611	Repair Service
711	Telecommunications Relay Service (TRS)
811	Telephone Companies' Business Offices
911	Emergency

The FCC does not direct state commissions to administer the N11 codes. Further, there really are no concrete industry guidelines for the assignment of N1 codes; interested parties generally just contact the North American Numbering Plan Administrator (NANPA). However, because the codes affect locally run services, they are important to the citizens of Texas. Examples of local areas utilizing available codes are the recent actions of Dallas and Austin to begin using the 311 code for city-administered maintenance, repair, and other non-emergency services.

Recognizing the importance of N11 codes, on October 20, 2000, the Texas Commission proposed to amend its P.U.C. SUBST. R. §26.127, relating to *Abbreviated Dialing Codes*, to designate the 211 code for community services information and 511 for traffic and transportation information. The 211 dialing code was requested by the Texas Health and Human Services Commission to implement the establishment of a statewide clearinghouse number for community services and will provide free information and referrals to community resources. Assignment of 211 for this purpose is expected to alleviate some of the congestion on the 911 network and to aid the state network of health and human services in coordination. The FCC assigned 211 for community information and referral services on July 21, 2000, at which time it also assigned 511 for traffic and transportation information.<sup>115</sup>

The Commission has encouraged the utilization of the 711 code for Telecommunications Relay Service ahead of the federal implementation mandated date of October 2001. As of October 2000, the 711 code was available in most parts of Texas that were not served by SWBT, which will deploy the code by the end of February 2001. Formal proceedings by the Commission were not necessary because it negotiated with the Texas Telephone Association to take the initiative to start 711 throughout the state without any substantive rule forcing action. The Commission will contract out an outreach project to educate companies and agencies providing PBX systems that need to be modified and to work with payphone service companies and wireless providers that have not complied by the time SWBT deployment is completed.

<sup>115</sup> Third Report and Order and Order on Reconsideration (FCC 00-256/FCC 00-257) (Order). The Texas Commission will hold a public hearing to discuss the implications of these new dialing codes at the Commission on January 9, 2001.

## APPENDIX F: LIST OF ILECs

The ILECs listed below provide local service to Texas customers. They are arranged according to their most recently available annual revenues. The number of access lines shown provides an approximation of their number of customers.

The dollar figure in the Capitalization column indicates the value of debt and equity of the parent company in its most recent financial statement, which in most cases was year-end 1998 or year-end 1999.<sup>116</sup>

**Table 30 – List of ILECs**

Company	Revenues	Access Lines	Net Plant in Service	Capitalization
Southwestern Bell Telephone Co.	\$5,079,511,443	10,236,332	\$6,496,934,712	\$9,198,836,125
GTE Southwest, Inc.	\$980,008,987	2,514,573	\$1,624,058,351	\$2,165,900,000
Central Telephone Co. of Texas	\$96,484,266	227,387	\$166,511,082	\$192,556,201
United Telephone Co. of Texas	\$78,916,012	163,151	\$144,023,526	\$193,031,633
Lufkin-Conroe Tel. Exchange	\$71,093,614	113,276	\$99,568,803	\$106,653,910
Sugar Land Telephone Company	\$40,420,339	76,769	\$57,428,905	\$90,115,545
Guadalupe Valley Tel. Coop.	\$21,872,553	34,971	\$39,422,787	\$102,987,609
Fort Bend Telephone Company	\$20,575,392	40,688	\$38,223,975	\$59,783,359
Century Tel. of San Marcos, Inc.	\$19,577,593	31,926	\$25,810,866	\$85,580,114
Eastex Telephone Cooperative	\$16,287,490	30,476	\$42,672,265	\$97,093,597
Kerrville Telephone Co., Inc.	\$13,707,960	24,659	\$29,254,044	\$40,797,580
Texas ALLTEL	\$13,009,134	30,235	\$32,345,855	\$45,323,548
Valley Telephone Co-op, Inc.	\$8,384,626	6,232	\$25,283,590	\$77,886,375
Hill Country Telephone Co-op	\$7,828,484	15,104	\$16,426,501	\$34,753,396
Etex Telephone Cooperative, Inc.	\$6,669,268	14,749	\$12,066,840	\$34,542,253
Big Bend Telephone Co. of Texas	\$6,592,454	5,398	\$25,734,805	\$47,383,287
Peoples Telephone Co-op, Inc.	\$6,350,346	12,374	\$15,683,357	\$28,721,876
Central Texas Telephone Co-op	\$5,568,572	7,618	\$26,964,326	\$75,378,587
Century Tel. of Lake Dallas, Inc.	\$5,542,819	11,516	\$10,135,917	\$18,558,725
Brazoria Telephone Company	\$5,203,736	6,524	\$14,602,604	\$32,890,474
Livingston Telephone Company	\$4,195,975	6,990	\$4,078,293	\$12,786,115
Colorado Valley Telephone Coop.	\$3,977,949	6,587	\$14,883,963	\$32,527,147

<sup>116</sup> The Commission's Financial Review Division made a determination which subsidiary of a company was the parent based on financial statements and experience in the industry. Staff did not contact or ask the firm directly for this information, so the Commission does not claim that the identification of the parent companies is exact. Nor did staff make an attempt to determine the market capitalization of the publicly traded companies in this survey. Thus, the figures presented in this analysis should be considered illustrative rather than definitive.

Poka-Lambro Rural Tel. Co-op.	\$3,907,811	3,878	\$6,689,575	\$32,246,319
Cap Rock Telephone Co-op, Inc.	\$3,835,959	4,590	\$6,624,160	\$20,785,911
Taylor Telephone Co-op, Inc.	\$3,555,123	7,187	\$9,757,521	\$30,949,500
Southwest Texas Tel. Company	\$3,537,118	3,958	\$7,309,853	\$25,107,551
E.N.M.R. Telephone Cooperative	\$3,441,276	885	\$9,302,624	\$101,466,708
Muenster Tel. Corp. of Texas	\$3,375,380	3,830	\$6,275,401	\$14,535,065
South Plains Telephone Co-op	\$3,146,126	5,286	\$4,799,476	\$18,532,762
West Plains Telecomm., Inc.	\$3,120,854	5,863	\$2,908,492	\$12,660,255
Comanche County Tel. Company	\$2,741,087	5,535	\$2,782,007	\$9,350,823
ALENCO	\$2,643,881	1,746	\$6,823,043	\$17,050,716
Brazos Telecommunications, Inc.	\$2,563,526	4,325	\$3,134,549	\$11,555,872
Century Tel. of Port Aransas, Inc.	\$2,127,442	4,702	\$2,667,810	\$7,537,027
West Texas Rural Tel. Co-op	\$1,974,938	2,053	\$2,974,169	\$13,899,695
Ganado Telephone Company, Inc.	\$1,902,766	3,031	\$8,091,324	\$22,868,140
Mid-Plains Rural Tel. Co-op.	\$1,797,570	3,302	\$3,902,947	\$14,251,291
Five Area Telephone Cooperative	\$1,636,036	1,489	\$2,688,978	\$12,664,974
Industry Telephone Company	\$1,619,059	2,189	\$3,415,283	\$10,165,848
Riviera Telephone Company, Inc.	\$1,613,231	1,249	\$1,921,188	\$5,475,255
Coleman County Telephone Coop.	\$1,454,484	2,234	\$8,079,541	\$15,942,305
Santa Rosa Telephone Co-op	\$1,449,705	2,375	\$2,146,599	\$17,682,533
Lipan Telephone Company	\$1,383,311	1,375	\$1,217,254	\$4,431,805
Wes-Tex Telephone Co-op, Inc.	\$1,342,962	3,381	\$2,143,802	*
Brazos Telephone Co-op, Inc.	\$1,308,047	1,260	\$1,583,810	\$10,640,994
XIT Rural Telephone Cooperative	\$1,301,439	1,337	\$5,345,458	\$12,499,795
Community Telephone Co., Inc.	\$1,213,433	1,862	\$2,339,221	\$13,860,278
Electra Telephone Company	\$1,082,853	1,973	\$2,870,023	\$4,463,229
Lake Livingston Telephone Co.	\$984,276	1,169	\$1,656,098	\$3,140,606
Dell Telephone Cooperative, Inc.	\$966,400	713	\$6,900,967	\$28,780,276
La Ward Telephone Exchange	\$964,875	1,197	\$2,309,353	\$6,283,906
Cameron Telephone Company	\$841,577	1,261	\$1,850,340	\$31,166,060
Tatum Telephone Exchange	\$841,484	1,098	\$1,632,706	\$4,865,994
Cumby Telephone Co-op, Inc.	\$746,900	888	\$994,352	\$7,029,402
Blossom Telephone Company	\$664,813	1,421	\$1,007,000	\$1,853,278
North Texas Telephone Company	\$444,268	821	\$837,084	\$1,822,901
Southwest Arkansas Tel. Co-op.	\$291,023	547	\$555,352	\$22,083,995
Border to Border Communications	\$277,480	83	\$998,983	\$1,945,953

**TOTALS**

<b>ALL ILECs</b>	<b>\$6,577,877,525</b>	<b>13,707,628</b>	<b>\$9,098,651,710</b>	<b>\$13,343,684,478</b>
Cooperatives	\$109,095,087	\$169,516	\$267,892,960	\$709,634,273
Investor-Owned Utilities	\$6,468,782,438	\$13,538,112	\$8,830,758,750	(Private) \$377,340,356 (Public) \$11,997,438,918

Source: PUC 1999 Earnings Monitoring Reports.<sup>117</sup>

<sup>117</sup> Some of the companies listed above are owned by a common parent company. Notes on company relationships:

Lufkin-Conroe Telephone Exchange, Inc., an ILEC that elected regulation pursuant to PURA, Chapter 59 on 8/18/97, was purchased by Texas Utilities (TU) in November 1997. In May 1999, TU

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changed its name to TXU Communications Telephone Company (TXU). On 5/12/2000, TXU and Fort Bend Telephone Company merged. The merged companies, TXU and Fort Bend Telephone Company, are owned by TXU Corporation (50%) and a group of private investors (50%).

GTE Southwest, Inc. and Contel of Texas, Inc., two sister ILECs that elected regulation pursuant to PURA, Chapter 58 on 9/20/95, merged with Bell Atlantic this year to form a new company, Verizon. On September 1, 2000, Verizon sold approximately 200 Texas telephone exchanges to a newly-formed company, Valor, Inc. Valor elected to be regulated pursuant to PURA, Chapter 59, but agreed to honor the Chapter 58 commitments made by GTE and Contel pursuant to PURA, Chapter 58.

Alltel Corporation owns two ILECs in Texas, including Alltel Texas, Inc. and Sugar Land Telephone Company, an ILEC that elected to be regulated pursuant to PURA, Chapter 59, on 10/20/95.

Sprint Corporation owns two ILECs in Texas formerly known as Central Telephone Company of Texas, Inc. (Centel) and United Telephone Company of Texas, Inc. The Sprint companies elected to be regulated pursuant to PURA, Chapter 59 in 1997.



## APPENDIX G: LIST OF CLECs

Below is a list of entities that have been awarded a COA or an SPCOA certificate as of December 31, 2000. Certificate approval indicates only that the company has Commission permission to provide telecommunications services (*i.e.*, some may not yet be offering services and some may no longer be in business). Because the telecommunications market is increasingly dynamic, this appendix reflects only a static view of potential competitors. The Commission web site periodically posts an updated version of this list at <http://www.puc.state.tx.us>.

### **How to use this list:**

Companies named include those that were recently certified. Since the data period of the request concerned only the calendar years 1998 and 1999, many of these companies did not provide information because they were either not yet certified or were not yet in operation. Companies are alphabetized by most recent names, with previous or secondary names listed afterward.

Information listed in the “Filed Data Request” column indicates the following:

- **Y:** Yes, the company responded to the report request for this report
- **N:** Certificate is in force, but the company did not reply to the data request
- **New:** Company was certificated in 2000 and therefore is too new to have replied to the data set

Information listed in the “ICA” column indicates the following:

- **Y:** Yes, the company has an approved interconnection agreement
- **N:** No, the company does not have an interconnection agreement

**Table 31 – List of CLECs**

Utility Name	Type of Certification	Date Issued	Replied to Data Request	ICA
@link Networks, Inc., d/b/a Dakota Services Limited	SPCOA	01/13/1999	Y	Y
1-800-4-A-PHONE, d/b/a AccuTel of Texas, Inc.	SPCOA	02/06/1997	Y	Y
1-800-RECONEX, Inc., d/b/a Sterling International Funding, Inc.	SPCOA	10/14/1996	N	Y
1stel, Inc.	SPCOA	09/09/1999	N	Y
2-Infinity.com, Inc., d/b/a Phone City, Afaneh, Inc.	SPCOA	01/13/1999	N	y
2nd Century Communications, Inc.	SPCOA	08/05/1999	Y	Y



Utility Name	Type of Certification	Date Issued	Replied to Data Request	ICA
A-CBT System, Inc., d/b/a Budget Communications	SPCOA	09/23/1999	N	Y
Access 21 Corporation, d/b/a New Edge Networks	SPCOA	09/23/1999	Y	Y
Actel Integrated Communications, Inc.	SPCOA	09/09/1999	Y	Y
Action Telcom Company	SPCOA	12/22/1995	N	N
Adelphia Business Solutions of Texas, L.P., d/b/a Hyperion Communications of Texas, L.P.	SPCOA	12/14/1998	Y	Y
Advanced Communicating Techniques, d/b/a Tipton Construction Company of Texas, Inc.	SPCOA	06/27/1997	Y	Y
Advanced TelCom Group, Inc., d/b/a Shared Communications Service, Inc.	SPCOA	06/03/1999	Y	N
Affinity Network, Inc.	SPCOA	08/05/1999	N	Y
Allegiance Telecom of Texas, Inc., d/b/a Allegiance Finance Company, Inc.	SPCOA	05/20/1999	Y	Y
Alliance Network, Inc.	SPCOA	08/26/1999	N	Y
ALLTEL Communications, Inc., d/b/a Sugar Land Telephone Company	COA	05/20/1999	Y	Y
Alternative Telephone Connections, Inc.	SPCOA	04/21/1998	Y	Y
AMA Telecom, Inc.	SPCOA	04/27/2000	New	Y
Amarillo Cell Telco	SPCOA	08/07/1996	N	Y
American Lightwave	SPCOA	07/18/2000	New	Y
American Metrocomm/Texas, Inc.	SPCOA	10/22/1997	N	Y
American PhoneCom, Inc., d/b/a North American Telco, Inc.	SPCOA	10/14/1998	N	Y
Americas Conex, L.L.C.	SPCOA	10/28/1996	N	N
America's Tele-Network Corp.	SPCOA	04/24/1996	N	N
Americas, Inc.	SPCOA	11/18/1999	N	N
Ameritech Communications International, Inc.	SPCOA	03/26/1997	N	Y
Annox, Inc.	SPCOA	05/31/2000	New	Y
ARC Texas, Inc., d/b/a Allied Riser of Texas, Inc.	SPCOA	04/16/1999	Y	Y
Arrival Communications, Inc.	SPCOA	03/01/2000	New	Y
AT&T Communications of Texas, L.P., d/b/a AT&T Communications of the Southwest, Inc.	COA	04/24/1996	Y	Y
ATS, d/b/a ATS Telecommunications Systems, Inc., NHS Communications Group, Inc., NHS Network Services	SPCOA	05/21/1997	Y	Y
AustiCo Telecommunications, Inc., d/b/a Masters Financial Services	SPCOA	01/15/1998	N	Y
Austin Bestline Company	SPCOA	07/10/1996	Y	Y
Austin Teleco USA, Inc., d/b/a Telco USA, Inc.	SPCOA	03/26/1997	N	Y
aXessa, d/b/a Columbia Telecommunications, Inc.	SPCOA	07/15/1999	N	N
Backbone Communications, Inc.	SPCOA	03/23/2000	Y	N
Basicphone, Inc.	SPCOA	08/06/1997	Y	Y
BellSouth BSE, Inc.	SPCOA	05/06/1998	N	Y
beMANY!, d/b/a eVulkan, Inc., be MA	SPCOA	09/26/2000	New	N
Birch Telecom of Texas Ltd., L.L.P.	SPCOA	12/15/1998	Y	Y
BlueStar Networks, Inc.	SPCOA	08/26/1999	Y	Y
Brazos Global Communications	SPCOA	06/20/2000	New	N
BroadBand Office Communications, Inc.	SPCOA	01/13/2000	New	Y
BroadStream Corporation, d/b/a CommcoTec Corporation	SPCOA	07/15/1999	Y	Y
Broadview Networks, Inc.	SPCOA	05/09/2000	New	N
Broadwing Local Services, Inc.	SPCOA	09/13/2000	New	N
Business Telecom, Inc., d/b/a BTI	SPCOA	06/27/1997	Y	Y
Buy-Tel Communications, Inc.	SPCOA	02/05/1998	Y	Y
C2C Fiber, Inc.	SPCOA	08/12/1998	N	Y
C3 Communications, Inc.	SPCOA	05/20/1999	N	Y
Cable & Wireless, Inc.	SPCOA	01/25/1996	N	N
Cable Plus Company, L.P.	SPCOA	02/25/1998	N	Y
Call For Less Long Distance, Inc.	SPCOA	11/14/1996	N	Y
Callnet Communications, Inc.	SPCOA	03/01/2000	New	Y